

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Wisconsin

REASONABLE CLASSIFICATIONS OF INDIVIDUALS UNDER
THE AGE OF 21, 20, 19 AND 18

- Individuals for whom public agencies are assuming full or partial financial responsibility under title IV-E and who are in foster homes under the age of 19.
- Individuals in SNFs who are under the age of 21.
- Certain disabled children under the age of 19 who are living at home, who would be eligible for Medicaid under the plan if they were in a medical institution, and for whom the State has made a determination as required under section 1902(e)(3)(B) of the Act.

Supplement 3 to ATTACHMENT 2.2-A describes the method that is used to determine the cost effectiveness of caring for this group of children at home.

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I. Eligibility

The State determines eligibility for PACE enrollees under rules applying to community groups.

A. X The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

All persons eligible under 42 CFR 435.217.

(If this option is selected, please identify, by statutory and/or regulatory reference, the institutional eligibility group or groups under which the State determines eligibility for PACE enrollees. Please note that these groups must be covered under the State's Medicaid plan.)

B. The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II -Compliance and State Monitoring of the PACE Program.

C. X The State determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

D. X The State is using Spousal Impoverishment rules.

Regular Post Eligibility

1. X SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

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(a). Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

1. Allowances for the needs of the:

(A.) Individual (check one)

1. ☐ The following standard included under the State plan (check one):

- (a) ☐ SSI
- (b) ☐ Medically Needy
- (c) ☐ The special income level for the institutionalized
- (d) ☐ Percent of the Federal Poverty Level: %
- (e) ☐ Other (specify):

2. ☐ The following dollar amount: \$

Note: If this amount changes, this item will be revised.

3. ☒ The following formula is used to determine the needs allowance:

The basic needs allowance, indexed annually by the percentage increase in the state's SSI-E payment; plus an allowance for employed individuals equal to the first 65 dollars of earned income and 1/2 of remaining earned income; plus special exempt income which includes court ordered support amounts (child or spousal support) and court ordered attorney and/or guardian fees; plus a special housing amount that includes housing costs over \$350 per month. The total of these 4 allowances cannot exceed 300% of the SSI federal benefit.

Note: If the amount protected for PACE enrollees in item (A.) is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items (B.) and (C.).

(B.) Spouse only (check one):

- 1. ☐ SSI Standard
- 2. ☐ Optional State Supplement Standard
- 3. ☐ Medically Needy Income Standard
- 4. ☐ The following dollar amount: \$
Note: If this amount changes, this item will be revised.
- 5. ☐ The following percentage of the following standard that is not greater than the standards above: % of standard.
- 6. ☐ The amount is determined using the following formula:
- 7. ☒ Not applicable (N/A)

(C.) Family (check one):

- 1. ☐ AFDC need standard
- 2. ☒ Medically needy income standard

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The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. ☐ The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.
4. ☐ The following percentage of the following standard
that is not greater than the standards above: _____ %
of _____ standard.
5. ☐ The amount is determined using the following formula:

6. ☐ Other
7. ☐ Not applicable (N/A)

(2). Medical and remedial care expenses in 42 CFR 435.726.

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Regular Post Eligibility

2. _____ 209(b) State, a State that is using more restrictive eligibility requirements than SSI. The State is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

(a) 42 CFR 435.735--States using more restrictive requirements than SSI.

1. Allowances for the needs of the:

(A.) Individual (check one)

1. _____ The following standard included under the State plan (check one):

(a) _____ SSI

(b) _____ Medically Needy

(c) _____ The special income level for the institutionalized

(d) _____ Percent of the Federal Poverty Level: _____%

(e) _____ Other (specify): _____

2. _____ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

3. _____ The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is **equal to, or greater than** the maximum amount of income a PACE enrollee may have and be eligible under PACE, **enter N/A in items 2 and 3.**

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(B.) Spouse only (check one):

1. ☐ The following standard under 42 CFR 435.121:

2. ☐ The medically needy income standard

3. ☐ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

4. ☐ The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.

5. ☐ The amount is determined using the following formula:

6. ☐ Not applicable (N/A)

(C.) Family (check one):

1. ☐ AFDC need standard

2. ☐ Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. ☐ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

4. ☐ The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.

5. ☐ The amount is determined using the following formula:

6. ☐ Other

7. ☐ Not applicable (N/A)

(b) Medical and remedial care expenses specified in 42 CFR 435.735.

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Spousal Post Eligibility

3. X State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(a.) Allowances for the needs of the:

1. Individual (check one)

(A). The following standard included under the State plan (check one):

1. ☐ SSI
2. ☐ Medically Needy
3. ☐ The special income level for the institutionalized
4. ☐ Percent of the Federal Poverty Level: _____%
5. ☐ Other (specify): _____

(B). _____ The following dollar amount: \$

Note: If this amount changes, this item will be revised.

(C). X The following formula is used to determine the needs allowance:

The basic needs allowance, indexed annually by the percentage increase in the state's SSI-E payment; plus an allowance for employed individuals equal to the first 65 dollars of earned income and ½ of remaining earned income; plus special exempt income which includes court ordered support amounts (child or spousal support) and court ordered attorney and /or guardian fees; plus a special housing amount that includes housing costs over \$350 per month. The total of these 4 allowances cannot exceed 300% of the SSI federal benefit.

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

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II. Rates and Payments

- A. The State assures CMS that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee for service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.
1. Rates are set at a percent of fee-for-service costs
 2. Experience-based (contractors/State's cost experience or encounter date)
(please describe)
 3. Adjusted Community Rate (please describe)
 4. X Other (please describe)

Summary of Methodology to Calculate Capitation Rates and Fee-for Service Equivalents for the
PACE Program in Wisconsin

The Wisconsin PACE program covers enrollees if they meet the nursing home admission criteria and are age 55 or over. The PACE rates are based on encounter data and functional status for a nursing home eligible population age 55 years or over.

The most recent year of historical acute and primary care claims data for Family Care Partnership and PACE enrollees is used as the basis for calculating the rate year's acute and primary care component per eligible per month (PEPM) PACE capitation rates. The most recent two years (of historical long-term care claims data for Family Care enrollees are used as the basis for calculating the rate year's long-term care component of the per eligible per month (PEPM) PACE capitation rates. Both Family Care and Family Care Partnership, like the PACE program, are Managed Long-Term Care programs in Wisconsin under which managed care organizations provide long-term care services to individuals who meet the nursing home admission criteria. Family Care Partnership is an integrated program that provides acute and primary care services in addition to long-term care services. The costs and utilization under these programs, with appropriate adjustments for population differences, are therefore reasonable proxies for the PACE program.

Costs and eligible months are excluded for individuals whose claims are paid outside of capitation methodology (i.e., persons with AIDS or ventilator dependence) and include the costs of long-term care services not covered under Family Care. State Categories of services are used to group the claims data. Otherwise all acute and primary care and long-term care costs are included. The base data thus reflect the costs of the eligible population and is the proxy for the development of the PACE rate. The trends from the base data year to the rate years are calculated based on analysis of historical data, the State's historical Medicaid Managed Care inflation rates, and consideration of factors impacting the prospective use and cost of care.

A PEPM amount is calculated based on costs and eligibility for the same population. The numerator is

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total costs and the denominator is total number of eligible months. The per capita amount reflects average costs of all eligible beneficiaries in each county of the program's service area. Eligible months were calculated as follows: Eligible days/Number of days in month.

By CY 2008, managed long-term care enrollment had reduced the PACE-eligible FFS population to a level that is no longer adequate to use to calculate fee for service equivalent (FFSE) costs, and other managed long-term care programs operating in the state substantially limit historical PACE-eligible FFS data that could be leveraged to estimate FFSE costs. Therefore, the PACE FFSE PEPMs are based on CY 2005-2007 nursing home fee-for-service Medicaid paid claims data and Community Integration Program II/Community Options Program Waiver (CIPII/COPW) home and community based waiver (HCBW) costs, trended forward to the rate year by service category and adjusted for changes in covered benefits or populations. FFSE PEPM costs are allocated using statewide age groups, statewide Medicare status, and statewide level of care (ICF/SNF, ISN) cost relativity indices. The FFSE PEPMs are also adjusted by the site's projected mix of enrollees.

The same methodology is used to derive the FFSE PEPMs for the NH residents and the FFSE PEPM for the HCBW population. Separate skilled nursing facility (SNF)/intermediate care facility (ICF) FFSE PEPMs are established for the rate year for the NH resident population and for the NH eligible community population. These FFSE PEPMs are developed for the NH eligible populations based on services at the skilled nursing facility (SNF) and the intermediate care facility (ICF) level of care. The community population is assumed to be comprised of individuals whose services reflect only SNF or ICF. A separate intensive skilled nursing (ISN) FFSE PEPM is established for the rate year for the NH eligible population for individuals whose services are at the intensive skilled nursing level of care. A final blended rate is developed based on a weighted average of the NH FFSE PEPMs and the CY2007 Medicaid eligible months with the HCBW FFSE and the CY2007 waiver eligible months. The blended calculation is derived after the drug rebate reduction and a load for non-benefit expenses.

The certifying actuary reviewed the calendar year 2015 rates and determined, "To the best of my information, knowledge and belief, for the period from January 1, 2015 to December 31, 2015, the capitation rates offered by DHS are in compliance with 42 CFR 438.6(c), with respect to the development of Medicaid managed care capitation rates."

Actuary:

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B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.

C. The State will submit all capitated rates to the CMS Regional Office for prior approval.

III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

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Method for Determining Cost Effectiveness of Caring for
Certain Disabled Children At Home
(Katie Beckett Program)

Cost effectiveness is determined in accordance with federal statute 42 U.S.C. 1396a(e)(3)(B)(iii), which states "the estimated amount which would be expended for medical assistance for the individual for such care outside an institution is not greater than the estimated amount which would otherwise be expended for medical assistance for the individual within an appropriate institution . . . "

To become eligible for the Katie Beckett Program, the child must meet a level of care typically provided in a hospital, skilled nursing facility or intermediate care facility. Level of care is determined by reviewing the child's needs against screening criteria which correspond to admission criteria of certain institutions. The nurses who review the child's application assign the appropriate level of care based on the most recent medical records, information from the family and other sources.

From the medical records provided and the "Home Service Identification Plan" written for each child, an estimate of the total annual cost of in-home services to Medical Assistance is developed. This cost is then compared with the annual cost that would be charged to the Medical Assistance Program if the child were in an institution meeting the child's level of care needs. Annual institutional rates are extrapolated from the daily rates allowed through Wisconsin's Medical Assistance Program. For each program applicant, the cost of in-home services to the Medical Assistance Program must be no greater than the cost that would be incurred if the child were placed in an institution which meets the child's level of care needs.